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Seung June Song

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EXAMINER

DONLON, RYAN D

ART UNIT

PAPER NUMBER

3695

NOTIFICATION DATE

DELIVERY MODE

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ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary	Application No. 10/550,462	Applicant(s) SONG, SEUNG JUNE	
	Examiner RYAN D. DONLON	Art Unit 3695	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 26 September 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-25 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-25 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Status of Claims

1. Claims 1-26 are pending and have been examined.

Claim Objections

2. Claims 1, 3-4, 7, 9, 15 objected to because of the following informalities:
3. Claim 1 is objected to because the phrasing "repeating the above steps for other bidders after the first bidder's bidding and new participants" is obfuscated and would be more clearly stated as -- repeating the above steps for other bidders and new participants after the first bidder's bidding--.
4. Claims 3-4 is objected to because the phrase "remained quantity" appears grammatically incorrect, the Examiner would suggest --remaining quantity--.
Appropriate correction is required.
5. Claim 7 is objected to because the phrase "wherein the step (c) further include" appears to be grammatically incorrect, the Examiner would suggest --wherein the step (c) further includes--.
6. Claim 9 is objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form. Claim 9 determines a winner contrary to the method described in claim 1.

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7. Claim 15 is objected to because the claim seems to lack the necessary use of the articles "a" and "the" for the phrases "to inspect present price" and "recording item to be auctioned". Claim 15 is also objected to because the phrasing "repeating the above steps for other bidders after the first bidder's bidding and new participants" is obfuscated and would be more clearly stated as -- repeating the above steps for other bidders and new participants after the first bidder's bidding--.

8. Claim 23 is objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form. Claim 23 broadens the scope of the parent claim 1 by introducing a survey method outside the scope of the auction method.

9. Claim 25 is objected to because the phrase "awarding free gift" appears to be grammatically incorrect. The examiner suggests "awarding a free gift" or "awarding free gifts".

10. Claim 26 is objected to because the phrase "the participant inspect the present price" appears to be grammatically incorrect. The Examiner suggest the phrase – the participant inspects the present price--

Claim Rejections - 35 USC § 112 1st Paragraph

11. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the

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art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

12. Claim 1 is rejected under 35 U.S.C. 112, first paragraph, as based on a disclosure which is not enabling. The request of a present price inspection by participants of the auction is critical or essential to the practice of the invention, but not included in the claim(s) is not enabled by the disclosure. Also, deciding whether there are any remaining quantities for the item prior to opening a new auction is critical or essential to the practice of the invention, but not included in the claim(s) is not enabled by the disclosure. See *In re Mayhew*, 527 F.2d 1229, 188 USPQ 356 (CCPA 1976).

13. Claims 1, 15 and 22 are rejected under 35 U.S.C. 112, first paragraph, because the specification, while being enabling for withdrawing cash from a cash provider, does not reasonably provide enablement for all types of cash providers, for example the US Mint is a cash provider. The specification does not enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to practice or implement the invention commensurate in scope with these claims.

14. Claim 18 is rejected under 35 U.S.C. 112, first paragraph, because the specification, while being enabling for displaying the present price inspection cash in different amounts, does not reasonably provide enablement for displaying in different fonts, colors or media, for example. The specification does not enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to practice or implement the invention commensurate in scope with these claims.

15. Claim 23 is rejected under 35 U.S.C. 112, first paragraph, as based on a disclosure which is not enabling. Determining the winner of the lottery is critical or

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essential to the practice of the invention, but not included in the claim(s) is not enabled by the disclosure. See *In re Mayhew*, 527 F.2d 1229, 188 USPQ 356 (CCPA 1976).

16. Claim 26 is rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The claim recites "display the change until the time when the participant inspect the present price" however the specification does not contain an enabling disclosure as to how the system might know when the participant has inspected the price. While one of ordinary skill in the art at the time of the invention would be able to determine when the price is displayed at the users terminal. It is beyond the limitations of one of ordinary skill to programmatically determine when the user physically inspected the monitor.

Claim Rejections - 35 USC § 112 2nd Paragraph

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

17. Claims 1-26 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

18. With respect to claim 1 it is unclear what "present price inspection cash". For the purposes of compact prosecution this is interpreted as money received for a request of a present price inspection by participants of the auction. It is also unclear what "by the

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relation of the server-client" is. For the purposes of compact prosecution this will be interpreted as --in a client-server model--.

19. Claim 1 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted step is the request of a present price inspection by participants of the auction.

20. With respect to claim 2, it is unclear what are the metes and bounds of "a sponsor". It is also unclear what is intended by the phrase "deciding the sponsor as the cash provider", specifically how "deciding ... as" is performed. For the purposes of compact prosecution the Examiner interprets this phrase to mean --deciding the sponsor is the cash provider". It is also unclear if "cash of the sponsor is larger" is intended to mean the cash is in greater quantities, size or amounts (this is critical for determining enablement of the claims). Likewise it is unclear what is intended by the phrase "cash of the sponsor is smaller". It is also unclear what is intended by the phrase "deciding the participant... as the cash provide".

21. As per claim 3, in element b) it is unclear how one can close an auction which hasn't be opened.

22. Claims 4-5 are rejected by virtue of depending from rejected claims.

23. Claim 6 is rejected because it is unclear how many comparisons are made. The claim recites "comparison of the reserved price with the present price is made between the reserved price made by the participant who reserved the highest price and bade the first and the present price." It is also unclear what was bade first in the phrase "bade the

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first". For the purposes of compact prosecution the examiner will interpret this phrase to be -- comparison of the reserved price made by the participant who reserved the highest price first and the present price--.

24. Claim 7 recites the limitation "the present price inspection cash" in line 9. There is insufficient antecedent basis for this limitation in the claim.

25. Claim 8 recites "displaying the winner toward the winner" and "displaying the loser toward the bidders after the first bidder" it is unclear what is intended by these phrases. These phrases are interpreted as best understood.

26. Claim 8 recites "the present price inspection" in line 18. There is insufficient antecedent basis for this limitation in the claim.

27. Claim 9 recites "determining the bidder who requests the present price inspection to make the present price below 0 as the winner." This method of determining a winner is contrary to the method described in claim 1. It is therefore unclear which determining is preformed.

28. Claim 10 recites "the winning price history of the prior auctions" in lines 3-4. There is insufficient antecedent basis for this limitation in the claim.

29. Claim 11 recites "the change of the present price" in line 7 and "the request of the participants" in line 8. There is insufficient antecedent basis for these limitations in the claim.

30. Claim 12 recites, "the [seller]" in line 12. There is insufficient antecedent basis for these limitations in the claim.

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31. As per claim 13 it is unclear what a "selling unit" is. Also it is unclear if "the particular item" is the same item of claim 1 or another item.

32. Claim 14 recites "the present price inspection" in lines 1-2, "the initial price" in line 2, "the settlement" in line 3 and "the item price" in line 3. There is insufficient antecedent basis for these limitations in the claim. Also, it is unclear what is intended by the phrase "failure to the settlement". This phrase will be interpreted as best understood.

33. As per claim 15 it is unclear what is intended by the phrase "a process part". For example it is unclear if the part is a physical element or a segment of a method. It is also unclear what is intended by the phrase "a present price inspection cash".

34. Claim 15 also this claim recites the limitation "the request" in line 18. There is insufficient antecedent basis for this limitation in the claim.

35. As an initial matter, claim 16 recites "the real cash" in line 9 and "the cash" in line 10. There is insufficient antecedent basis for these limitations in the claim. Additionally, it is unclear how user cash differs from real cash. Further it is unclear what the listed alternatives "such as mileage or cyber money" are alternatives to (i.e. user cash or real cash). Further it is unclear what is intended by the phrase "the case... is smaller", does this refer to the size, amount or quantity.

36. Claim 17 recites "the auction procedure" in line 2. There is insufficient antecedent basis for these limitations in the claim. Further it is unclear what is intended by the term "progresses". It appears as though the Applicant is claiming merely that a user can register as a seller of the item used in claim 1, however this is not entirely certain.

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37. Claim 18 recites "displaying the present price inspection cash differently for the same item by setting the present price inspection cash differently" does not accurately describe what is enabled by the examples provided by the specification page 33 lines 1-16 and therefore it is unclear what is being claimed here. The specification appears to enable that a different amount is displayed rather than the same amount displayed in at least two different ways as claimed.

38. Claim 19 recites "the different times" in line 6. There is insufficient antecedent basis for this limitation in the claim.

39. Claim 20 recites "the sponsor" in line 11. There is insufficient antecedent basis for this limitation in the claim. Further it is unclear what a sponsor is in light of the claims. For example is the sponsor a seller, an advertiser, the website owner?

40. Claim 21 recites "displayed by the voice", this is unclear and appears to be a translation which would better be stated as --played over the receiver--. Claim 21 also recites "the auction procedure" in line 15. There is insufficient antecedent basis for this limitation in the claim and it is unclear if this is referring to the steps performed by the system of claim 15.

41. As per claim 22, it is unclear what is intended by the phrase "present price inspection cash". Also the preamble of this claim recites the singular "client computer" however element "(b)" recites "the client computers" it is therefore unclear which is correct. Further, this claim is unclear because it recites "the request of a present price inspection" in line 11; however, there is insufficient antecedent basis for this limitation in the claim. Further, this claim is unclear because it apparently interchanges the term "the

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user" and "the bidder" as the one who decreases the price is a "user" in line 12 and a "bidder" in line 15.

42. Claim 23 is rejected because it is unclear what is intended by averaging single price (i.e. the winning price of claim 1) and how this arrives at an appropriate price.

43. Claim 23 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted step is the determination of the lottery winner.

44. Claim 24 is rejected because the metes and bounds of "trying" are unclear. It is unclear to what degree is necessary for a user to try the reservation system in order for the fee to be collected. For example would the mere attempt at sitting at a computer with the intention of using the reservation system constitute as "trying"? This clarification is necessary in order to determine the scope of enablement.

45. Claim 25 is rejected by virtue of depending from claim 1.

Examiner Notes

46. Regarding claims 16-20, and 23-25, the Examiner notes a series of singular dependent claims is permissible in which a dependent claim refers to a preceding claim which, in turn, refers to another preceding claim.

47. A claim which depends from a dependent claim should not be separated by any claim which does not also depend from said dependent claim. It should be kept in mind

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that a dependent claim may refer to any preceding independent claim. In general, applicant's sequence will not be changed. See MPEP § 608.01(n).

The Examiner also notes that many of the rejections above appear to be the result of a literal translation into English from a foreign document. As there are many errors which require the change of claim language, it is respectfully requested that the Applicant provide indications where support any amendments may be found in the specification.

Claim Rejections - 35 USC § 101

48. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

A claimed process is eligible for patent protection under 35 U.S.C. § 101 if:

"(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. See Benson, 409 U.S. at 70 ('Transformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines. '); Diehr, 450 U.S. at 192 (holding that use of mathematical formula in process 'transforming or reducing an article to a different state or thing' constitutes patent-eligible subject matter); see also Flook, 437 U.S. at 589 n.9 ('An argument can be made [that the Supreme] Court has only recognized a process as within the statutory definition when it either was tied to a particular apparatus or operated to change materials to a 'different state or thing' '); Cochrane v. Deener, 94 U.S. 780, 788 (1876) ('A process is...an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing.').⁷ A claimed process involving a fundamental principle that uses a particular machine or apparatus would not pre-empt uses of the principle that do not also use the specified machine or apparatus in the manner claimed. And a claimed process that transforms a particular article

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to a specified different state or thing by applying a fundamental principle would not pre-empt the use of the principle to transform any other article, to transform the same article but in a manner not covered by the claim, or to do anything other than transform the specified article.” (*In re Bilski*, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008))

49. Also noted in *Bilski* is the statement, “Process claim that recites fundamental principle, and that otherwise fails ‘machine-or-transformation’ test for whether such claim is drawn to patentable subject matter under 35 U.S.C. §101, is not rendered patent eligible by mere field-of-use limitations; another corollary to machine-or-transformation test is that recitation of specific machine or particular transformation of specific article does not transform unpatentable principle into patentable process if recited machine or transformation constitutes mere ‘insignificant post-solution activity.’” (*In re Bilski*, 88 USPQ2d 1385, 1385 (Fed. Cir. 2008)) Examples of insignificant post-solution activity include data gathering and outputting. Furthermore, the machine or transformation must impose meaningful limits on the scope of the method claims in order to pass the machine-or-transformation test. Please refer to the USPTO’s “Guidance for Examining Process Claims in view of *In re Bilski*” memorandum dated January 7, 2009,

http://www.uspto.gov/web/offices/pac/dapp/opla/documents/bilski_guidance_memo.pdf .

50. It is also noted that the mere recitation of a machine in the preamble in a manner such that the machine fails to patentably limit the scope of the claim does not make the claim statutory under 35 U.S.C. § 101, as seen in the Board of Patent Appeals

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Informative Opinion *Ex parte Langemyr et al.* (Appeal 2008-1495),

<http://www.uspto.gov/web/offices/dcom/bpai/its/fd081495.pdf> .

51. Claims 1-14, 16-20, and 22-25 are not tied to a particular machine or apparatus nor do they transform a particular article into a different state or thing, thereby failing the machine-or-transformation test; therefore, claims 1-14, 16-20, and 22-25 are non-statutory under § 101.

52. Claims 15 and 21 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claimed invention appears to be directed to a computer program *per se* and does not contain any elements directed towards computer hardware. The invention, therefore, does not define any structural or functional interrelationships between the computer program and other claimed elements of the computer which permit the computer program's functionality to be realized. (see MPEP 2106.01)

Conclusion

53. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

54. Cha, Heuijang et al., WO 01/82165 A1, discloses bid charges which are paid by the bidder and used to reduce the expense to the winner.

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55. JP 2002-133181 A discloses an online, auction system, where a seller registers to exhibit an item or makes a bid for an item from a terminal.

56. KR 2000-72435 A discloses a method for a real time auction on a network. If a bidder wishes to make a reserved bid prior to the initiation of the auction, the reserved bid is stored in a database.

57. US 5794219 A discloses a method of cohort bidding wherein the bids of a group of bidders are totaled to determine the total bid value the winner is determined from the winning group by a lottery.

58. Dublinetwork.com discloses an auction where "[e]very time a person looks at the price, the cost of the item goes down \$0.25/€0.20."

59. Zapadeal.com discloses the "bid to zero" auction where "Each view is 1 bid credit(s). The price goes down \$0.20 with each view. Last view to zero obtains the product for Free." was first won 22 August 2009.

60. PennyAuctionWatch.com discloses an auction model started near 6 September 2009 consisting of "Every time you Vroom the price of an item, it lowers it by a set amount. When you are the last user to vroom the price of an item from \$0.25 to \$0.00, the item is yours for free!"

Any inquiry concerning this communication or earlier communications from the examiner should be directed to RYAN D. DONLON whose telephone number is (571)270-3602. The examiner can normally be reached on Monday through Friday 7:30am to 5:00pm EST.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Charles Kyle can be reached on (571) 272-6746. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/R. D. D./
Examiner, Art Unit 3695
January 4, 2010

/Narayanswamy Subramanian/
Primary Examiner, Art Unit 3695